

Message Text

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17

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 PA-02 PRS-01 /096 W

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R 032229Z FEB 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 8716

UNCLAS OTTAWA 0452

E.O. 11652: N/A

TAGS: EFIN CA

SUBJECT: INTERNATIONAL RESERVES

REF: OTTAWA 0019

1. MINFIN MACDONALD ANNOUNCED ON FEBRUARY 3 THAT INTERNATIONAL RESERVES INCREASED BY \$273.7 MILLION IN JANUARY TO \$5,599.4 MILLION ON JANUARY 30. FOLLWOING IN U.S. MILLION DOLLARS:

U.S. DOLLARS	3,477.2
OTHER FOREIGN CURRENCIES	16.0
GOLD	898.0
SDR'S	554.5
IMF RESERVE POSITION	653.8

2. U.S. DOLLARS INCREASED BY \$270.1 MILLION, OTHER FOREIGN CURRENCIES BY \$300,000 AND IMF RESERVE POSITION BY \$5 MILLION. GOLD DECREASED BY \$1.4 MILLION AND SDR'S BY \$900,000.

3. MINFIN MACDONALD NOTED IN ANNOUNCEMENT THAT "CHANGE IN RESERVES IN JANUARY INCLUDED A DECREASE OF \$3.4 MILLION IN SDR-DENOMINATIONAL ASSETS REFLECTING DEPRECIATION OF THE U.S. DOLLAR VALUE OF THE SDR."

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RM U.S. DOLLAR CLOSED AT C\$1.0010 JANUARY 30, DOWN
FROM DECEMBER 31 CLOSING OF C\$1.0160. AVERAGE DAILY
CLOSING IN JANUARY WAS C\$1.0059, LOWER BY C\$0.0075 THAN
IN DECEMBER.

5. COMMENT: CANADA'S INTERNATIONAL RESERVE POSITION IN
JANUARY AT HIGHEST LEVEL SINCE MARCH 1975 WHEN RESERVES
WERE C\$5,826.5 MILLION. LOW POINT WAS REACHED IN AUGUST WHEN
RESERVES WERE C\$5,191.2 MILLION. LARGE
INCREASE IN HOLDINGS OF U.S. DOLLARS IN DECEMBER SUGGESTS
BANK OF CANADA STRONGER THAN USUAL INTERVENTION IN
FOREIGN EXCHANGE MARKETS TO PREVENT MORE RAPID RISE IN
EXCHANGE VALUE OF CANADIAN DOLLAR. EVEN SO, CANADIAN
DOLLAR ON JANUARY 27 CLOSED ABOVE PAR WITH U.S. DOLLAR
FOR FIRST TIME SINCE MARCH 1975.
JOHNSON

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Message Attributes

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